

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2609 - SB 2890

February 21, 2022

SUMMARY OF BILL: Changes the county population threshold, from 400,000 in the 2010 Census to 360,000 in the 2020 Census, for allowing counties with minor league baseball stadium to receive an apportioned amount of tax revenue from the sale of food, drinks, merchandise, and parking to be used for the retirement of debt and maintenance of the stadium.

ESTIMATED FISCAL IMPACT:

Foregone State Revenue – Exceeds \$110,000/FY24-25 and Subsequent Years

Increase Local Revenue – Exceeds \$110,000/FY24-25 and Subsequent Years

Assumptions:

- The only county that would be newly eligible to receive a portion of tax revenue from sales at a minor league baseball stadium is Hamilton County; therefore, it is assumed the proposed legislation would apply only to a proposed new stadium for the Chattanooga Lookouts.
- Pursuant to Tenn. Code Ann. § 67-6-103(d)(1)(A)(iv), the stadium is already eligible to receive state and local sales tax revenue from franchised baseball events; therefore, any foregone revenue from such events is considered not significant. However, the proposed legislation will allocate state and local sales tax for non-franchised baseball events as well.
- Based on First Horizon Park's (Nashville) non-baseball events in 2019, it is estimated that the new stadium in Hamilton County will host at least 40 non-baseball events that are not currently held at the existing stadium.
- It can be reasonably estimated that each event generates at least \$50,000 in sales.
- The apportioned amount of tax revenue applies only to the first 5.5 percent of the 7 percent state sales tax.
- The estimated revenue apportioned to the debt service on the proposed new stadium is estimated to exceed \$2,750 (\$50,000 x 5.5%).
- The first year of fiscal impact is assumed to be FY24-25.
- The recurring amount of foregone state revenue is estimated to exceed \$110,000 (\$2,750 x 40) in FY24-25 and subsequent years.
- The recurring increase to local revenue is estimated to exceed \$110,000 (\$2,750 x 40) in FY24-25 and subsequent years.

HB 2609 - SB 2890

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/mk